

Staff asked for clarification regarding Verizon's April 12, 2007 supplemental response to specification 5 of the Commission's March 13 information request. Verizon developed its estimates of total market revenue for each product category using a variety of sources. As a starting point, Verizon identified independent market research firms' estimates of U.S. domestic business customer telecommunications revenue by service category, such as frame relay, private line, or long distance voice. Verizon then reviewed each source for reasonableness, and reconciled the sources for differences in service definition. The next step was to calculate the average of the market research firms' estimates. By averaging data from a number of different vendors, Verizon was able to reduce individual analyst or reporting bias. The market size figures that Verizon has provided to the Commission reflect data from at least three market research firms. As a further check on the reasonableness of the revenue estimates by service, Verizon compared the sum of the service-specific estimates against estimates of total industry revenues from broker analyst reports and company earnings reports.

Exhibit 4.5 contains Highly Confidential Information and has been marked "HIGHLY CONFIDENTIAL INFORMATION - SUBJECT TO SECOND PROTECTIVE ORDER IN WC DOCKET NO. 02-112 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION in accordance with the Second Protective Order in this proceeding."

If you have any questions, please call me at 202-515-2467

Very truly yours,



Enclosure

¹ Section 272(f)(1) Sunset of the ROC' Separate Affiliate and Related Requirements, Second Protective Order. WC Docket No. 02-112, DA 07-1389 (rel. Mar. 23, 2007).

REDACTED – FOR PUBLIC INSPECTION

EXHIBIT 4.5

REDACTED – FOR PUBLIC INSPECTION

ATTACHMENT 12

REDACTED – FOR PUBLIC INSPECTION

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EX PARTE

April 20, 2007

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

*Re: Section 272(f)(1) Sunset of the BOC Separate Affiliate and
Related Requirements, WC Docket No. 02-112*

Dear Ms. Dortch:

This letter supplements Verizon's March 27, 2007 response to specification 4 of the Commission's March 13 information request.

On April 19, 2007, Verizon submitted as Exhibit 4.5 additional data from Harte-Hanks that set forth the percentage of customer sites at which a carrier is a provider for the following product segments: T-1, T-3, Frame Relay, ATM, Long-Distance, and VPN.¹ These new data provide a more granular breakdown of business sites, dividing them into four categories: 0 to 4 site employees, 5 to 19 site employees, 20 to 249 site employees, and 250+ site employees. Exhibit 4.5 presented data for each of the 28 states in which Verizon provides local wireline telephone service plus the District of Columbia; within each individual state data were provided separately for Verizon's in-franchise service territory and out-of-franchise territory.

¹ See Letter from Joseph Jackson, Verizon, to Marlene H. Dortch, FCC, WC Docket No. 02-112 (Apr. 19, 2007).

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The attached Exhibit 4.5.A presents these same data by MSA. Verizon has included a "Region" column which designates each MSA as a former Bell Atlantic North ("fBA North"): former Bell Atlantic South ("fBA South"),³ former GTE ("fGTE"),⁴ or non-Verizon ("Non-VZ") MSA. Although an MSA may be designated as fBA North, fBA South, or fGTE, Verizon is not necessarily the only incumbent LEC in the MSA.

Exhibit 4.5.A contains Highly Confidential Information and has been marked "HIGHLY CONFIDENTIAL INFORMATION - SUBJECT TO SECOND PROTECTIVE ORDER IN WC DOCKET NO. 02-112 BEFORE THE FEDERAL COMMUNICATIONS COMMISSION" in accordance with the Second Protective Order in this proceeding.'

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Very truly yours,



Enclosure

² fBA North states consist of New York, Connecticut, Massachusetts, Maine, New Hampshire, Rhode Island, and Vermont. For purposes of this analysis, the New York MSA was assigned to fBA North.

³ fBA South states consist of Delaware, Maryland, New Jersey, Pennsylvania, Virginia, West Virginia, and the District of Columbia.

⁴ An MSA that consists of areas served by both the former Bell Atlantic and the former GTE was designated as a former Bell Atlantic area.

⁵ *Section 272(f)(1) Sunset of the BOC Separate Affiliate and Related Requirements*, Second Protective Order, WC Docket No. 02-1 12, DA 07-1389 (rel. Mar. 23, 2007).

REDACTED – FOR PUBLIC INSPECTION

EXHIBIT 4.5.A

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